



INTERNATIONAL UNION OF OPERATING ENGINEERS

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Testimony of Nate Brown

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For the Labor and Public Employees Committee

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Good afternoon, Senator Prague, Representative Zalaski and the other Honorable members of the Labor and Public Employees Committee. My name is Nate Brown and I am the Referral Manager and COPE Director for the International Union of Operating Engineers Local 478, a labor organization that represents over 3,000 heavy equipment operators and their families in Connecticut.

I am here today to testify in support of SB bill 181

AN ACT REQUIRING THE STANDARD AND PREVAILING WAGE BE PAID TO CERTAIN EMPLOYEES OF EMPLOYERS WHO RECEIVED FINANCIAL ASSISTANCE FROM STATE ECONOMIC DEVELOPMENT ENTITIES.

The Operating Engineers supports Senate Bill 181. The DECD annually gives millions in corporate welfare to businesses to retain or attract them to Connecticut. The intent is to create job opportunities for Connecticut residents. Hopefully the DECD is looking to create at least living wage jobs, with health care and pensions. We feel that creating jobs with livable wages and benefits should be the reason for economic development, not a byproduct of a process that subsidizes some of the country's wealthiest, most profitable corporations in their quest for a fatter bottom line. I think that this point is sometimes missed. Don't get me wrong there are a number of companies that do the right thing. However, many do not. We feel that by applying prevailing wage to these grants and low interest loans the investment will pay off from the start, the construction of the new facility.

Prevailing wage or the area standard wage is the instrument by which the over 60,000 Connecticut citizens that work in construction sustain and grow the standard of living for themselves, their families, and their communities. It puts money in the pockets of all

Connecticut construction workers, union and non union. It does that by discouraging contractors from importing and exploiting low wage workers from other regions to benefit from Connecticut taxpayer dollars spent on public construction. Prevailing wage or the area standard wage makes a critical contribution to the economy of our state and its municipalities. It allows taxpaying construction workers to work just one job, allows them to have the time to coach their children in Little League, allows them to afford health care, and at the end of their working career, to retire with dignity. Their wages represent mortgage and tuition payments, purchases at local supermarkets and hardware stores, and to donate their time and money to churches, schools, and charities and other good works. These wages help drive the state's economy and add to the state and local tax base, which ensures that future state and local construction projects will be continue to be built. At a time when many corporations that build in the state are importing workers at wages our local residents cannot afford to work for, the law helps to secure local construction jobs for the residents of our communities.

The current failure to apply the prevailing wage to DECD projects invites corporations to bring in low cost out of state contractors to build facilities subsidized by Connecticut taxes. These contractors travel from state to state with their own workforce, providing little or no benefit to the Connecticut residents whose taxes fund these grants and loans. We feel that this is shortsighted and bad policy. Business says that prevailing wage adds cost to a project. There is also a cost imposed on the residents of the state by not having the requirements.

Times change. So do the needs the economic realities of our state. However, the benefits of local construction being done by local taxpayers making area standard wages remains a continuing source of strength for the state of Connecticut, our municipalities, and the other hardworking, taxpaying residents that call Connecticut home. At a time when the economies and quality of life for communities across the state are being challenged, we urge you to expand a source of economic stability and quality of life for our citizens, our communities and our state- the well paying jobs that local contractors provide to local residents. We urge you to require high paid CEO's and their corporations asking for state aid to be good citizens, not just use the state to enlarge their bottom line, We urge you to act favorably on SB 181.

Thank you